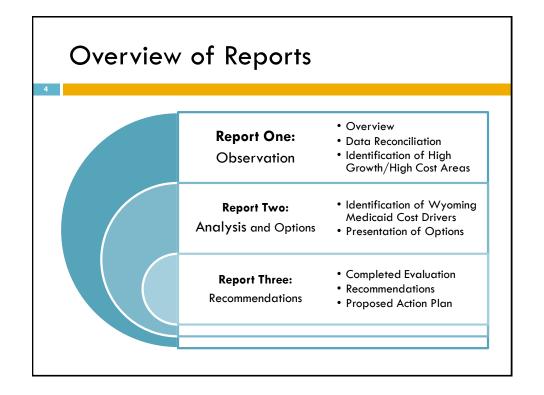
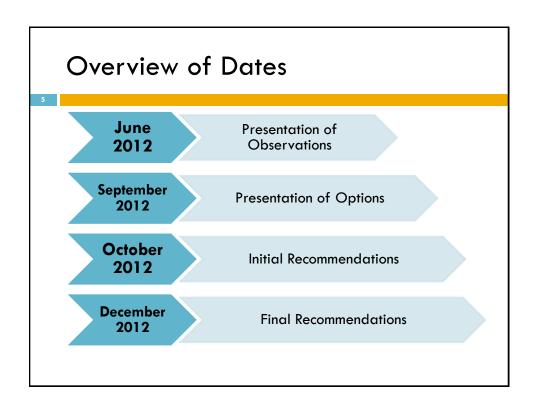


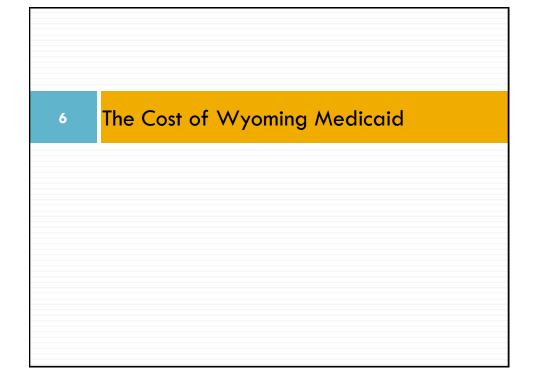
Introduction and Overview

#### The Medicaid Options Study (SEA0058)

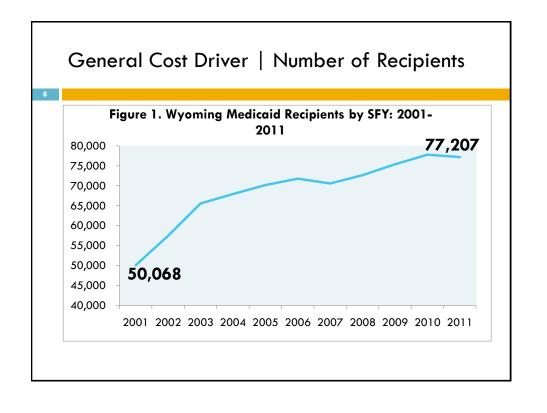
- □ Passed in 2012 Budget Session
- □ Legislation required the WDH to:
  - Describe and analyze Medicaid cost drivers
  - □ Identify areas in Medicaid to benefit from redesign
  - Evaluate redesign of existing Medicaid programs

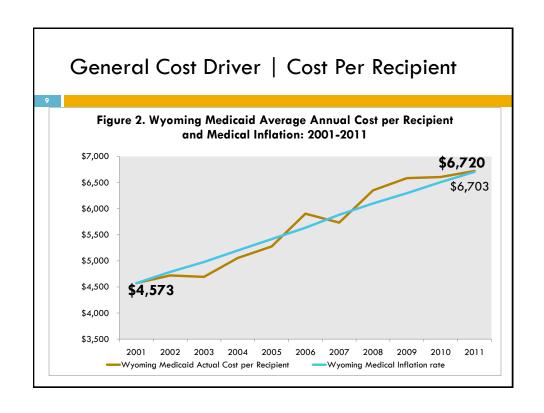


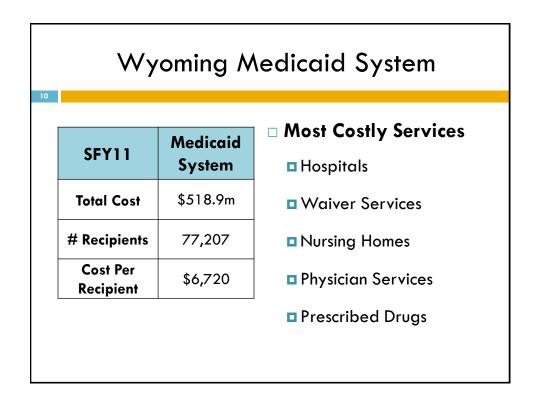


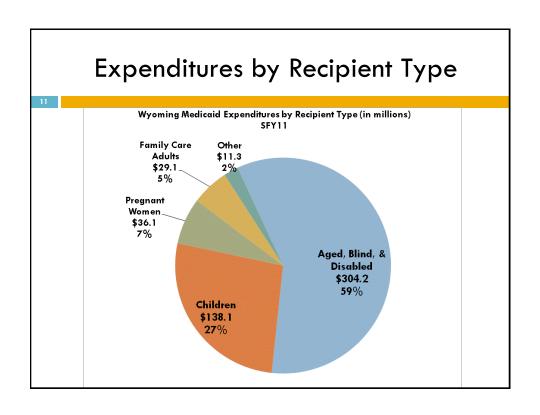


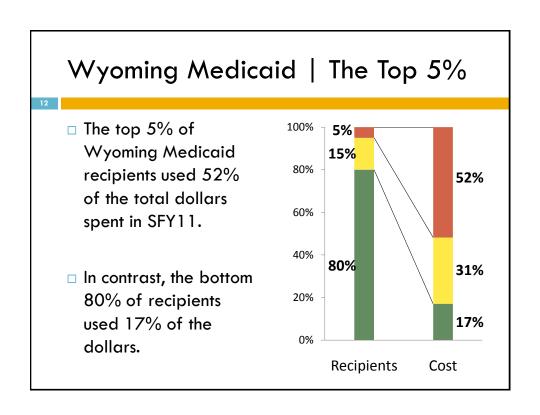
# General Framework of System Cost Two major causes of overall system cost increase over the past decade: Number of people receiving services Cost per recipient

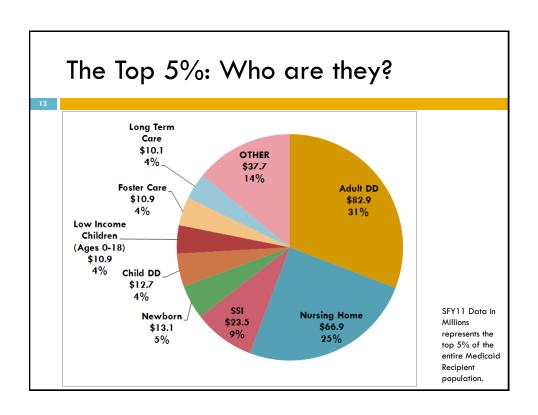














#### Drilling Down from Groups to Sub-groups

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- □ Report One
  - □ Presented 10 largest Medicaid Programs
  - Introduced 27 Sub-groups within the Programs
    - Example: Foster Children are a Sub-Group of the Children Program
- □ Report Two
  - Investigated cost trends in the 27 Sub-groups
  - Analyzed 13 highest cost Sub-groups in detail

## Categorizing Options

16

- □ 13 Sub-groups of interest were combined into 6 sections
  - ■Elderly and Physically Disabled
  - Adults with DD
  - Children with DD
  - ■Pregnant Women and Newborns
  - Family Care
  - ■Children

# **Options Introduction**

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- Report Two identified 122 Options for Medicaid System changes or redesign
  - □ Highlighting just a few of those in this presentation
  - □ No recommendations at this time

Options |
Overall Wyoming Medicaid System

# Wyoming Medicaid System

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SFY11	Medicaid System
Total Cost	\$518.9m
# Recipients	77,207
Cost Per Recipient	\$6,720

- Most Costly Services
  - Hospitals
  - Waiver Services
  - Nursing Homes
  - Physician Services
  - Prescribed Drugs

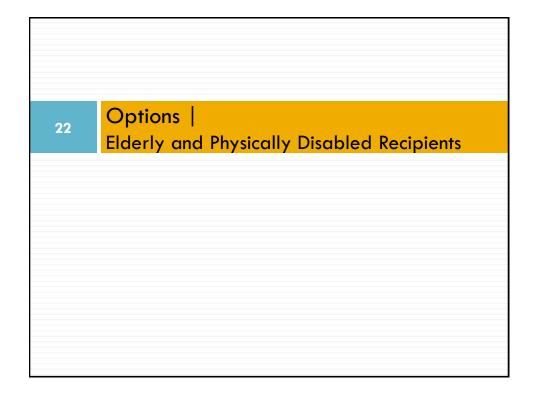
# Wyoming Medicaid System

20

#### PROBLEM #1 | Overall Cost of System

- □ Potential Options
  - Expand levels of case management for high-cost recipients
  - Change healthcare delivery system to Managed Care model
  - □Implement Medical Homes

#### Wyoming Medicaid System PROBLEM #2 | Emergent Care is Over-used Potential Options One or More ER Visits □ Limit the number of ER in SFY11 visits (yearly) Wyoming **Wyoming** Medicaid Private ■ Medical Homes Recipients Insurance 33.7% 11.9% Co-Payments



#### Elderly and Physically Disabled

23

□ LTC Waiver, SSI, Nursing Home, and Hospital Care

SFY11	Nursing Home	SSI	LTC Waiver	Hospital Care
Total Cost	\$80.5m	\$51.7m	\$29.3m	\$7.0m
# Recipients	2,611	6,052	1,993	167
Cost Per Recipient	\$30,832	\$8,536	\$14,684	\$42,158

#### ■ Most Costly Services

□ Nursing Homes | Inpatient Hospitals | Outpatient Hospitals | Prescribed Drugs | Physician Services

#### Elderly and Physically Disabled

24

# PROBLEM #1 | Intensive Care is Expensive and Sometimes Premature

- □ Potential Options
  - □ Eliminate caps for the LTC and ALF Waivers to increase community-based living
  - □ Implement a 1115 wavier program to shift from institutional care to community care
    - Tennessee 1115 waiver
  - Managed Care for high-cost individuals

## Elderly and Physically Disabled

25

PROBLEM #2 | Wyoming Lacks a Variety of Inclusive, Community-based Care Options for the Elderly and Physically Disabled

- □ Potential Options
  - Encourage Program of All Inclusive Care for the Elderly (PACE) programs

Options |
Adults with Developmental Disabilities

#### Adults with Developmental Disabilities

27

□ Developmentally Disabled Adults, aged 21+

SFY11	Adult DD Waiver
Total Cost	\$89.3m
# Recipients	1,392
Cost Per Recipient	\$64 <b>,</b> 117
Top 5% Cost Per Recipient	\$191,639

- Most Costly Services
  - Residential Habilitation
  - Day Habilitation
  - Case Management
  - Special Therapy
  - □ Prescribed Drugs

## Adults with Developmental Disabilities

28

PROBLEM #1 | The Most Expensive Services may not Encourage the Most Positive Outcomes

- □ Potential Options
  - □ Redesign existing waiver system
    - What is the desired outcome?
  - □ Create a support waiver with a max dollar per person amount
  - Implement independent case management

### Adults with Developmental Disabilities

29

# PROBLEM #2 | High Cost per Person at the Wyoming Life Resource Center (ICF-ID)

- □ Potential Options
  - □ Retool, downsize, or repurpose the ICF-ID facility
  - Close the ICF-ID facility and transition clients to community settings
  - □ Focus on efficiency improvements and revenue generation at the ICF-ID facility

30

# Options |

Children with Developmental Disabilities

#### Children with Developmental Disabilities

31

□ Children (birth to 21 years) with Developmental Disabilities

SFY11	Child DD Waiver
Total Cost	\$21m
# Recipients	831
Cost Per Recipient	\$25,887
Top 5% Cost Per Recipient	\$112,905

- Most Costly Services
  - □ Respite Care
  - □ Family Habilitation
  - Case Management
  - Prescribed Drugs

#### Children with Developmental Disabilities

32

PROBLEM #1 | High Utilization of Services by the Top 5% and next 15%

- □ Potential Options
  - □ Redesign existing waiver system
    - What is the desired outcome?
  - Create capped supports waiver(s)
  - □ Reduce individual budgets without limiting services
  - □ Limit the weekly number of hours for similar services

Options |
Pregnant Women and Newborns

# Pregnant Women and Newborns

□ Most Costly Services

□ Inpatient Hospital Services

□ Physician Services

Outpatient Hospital Services

Prescribed Drugs

□ EPSDT Screening (Newborns)

SFY11	Pregnant Women	Newborns
Total Cost	\$35m	\$30m
# Recipients	6,011	7,082
Cost Per Recipient	\$4,855	\$4,373
Top 5% Cost Per Recipient	\$22,384	\$48,255

### Pregnant Women and Newborns

35

# PROBLEM #1 | Keeping Mothers and Newborns Healthy

- □ Potential Options
  - Create Maternity Medical Homes
  - □Extend "Pregnant by Choice" Waiver

### Pregnant Women and Newborns

36

# PROBLEM #2 | High Provider Cost and Reimbursement

- □ Potential Options
  - Reduce Reimbursement Rates for Wyoming OB/GYNs
  - Implement Bundled Payments for Prenatal Care to Birth

Options | Foster Care Children

## Foster Care Children

#### ■ Most Costly Services

- Psychiatric Residential Treatment Facilities (PRTF)
- Prescribed Drugs
- Physician Services
- □ Mental Health Clinic Services
- Outpatient Substance Abuse

SFY11	Foster Care Children
Total Cost	\$67m
# Recipients	3,346
Cost Per Recipient	\$6,852
Top 5% Cost Per Recipient	\$63,186

#### Foster Care Children

39

PROBLEM #1 | Psychiatric Residential Treatment Facilities (PRTF) are Expensive and Highly Utilized

- □ Potential Options
  - Manage PRTF admission/Reduce Readmission
    - Stop court-ordered PRTF placements to specific facilities
    - ■Use Behavior Health Care Management Entity (CME)
    - ■Managed Care

#### Foster Care Children

40

PROBLEM #2 | Little Support for Foster Care Children after Leaving Foster Care System

- □ Potential Options
  - □ Focus on youth transitioning out of foster care
    - Poor transitions = cost for the State
      - Currently receive Medicaid coverage until 21
      - ■ACA 2014 receive Medicaid coverage until 26
  - Managed care for this population

Conclusion

# Report Two | Synopsis

42

- Major Problem
  - A small number of recipients in Wyoming Medicaid consume the majority of services and/or the majority of the dollars
- □ Solution
  - □ Target options that address the highest cost subgroups, and most expensive 5% and 15% of recipients to achieve the most cost savings

# Medicaid Options Study | Next Steps

- 43
- □ October 2012
  - □ Preliminary Recommendations
- □ December 1, 2012
  - Report Three and Final Recommendations

# Thank You Wyoming Department of Health Commit to your health.